REMARKS

Applicant has cancelled claim 41 without prejudice to prosecution in another application. Applicant has amended claims 31, 38, 46 and 52 to 69 primarily to correct typographical errors. Claim 41 has been cancelled because it contained repetitive terminology. Claim 74 has been added as a replacement for claim 41. New claims 70 to 81 have been added to claim the invention with more particularity. Support for these claims is discussed below. No new matter has been added. Claims 31 to 40 and 42 to 81 are pending in this application.

Support for the ratio of lipid to surfactant of from about 5:1 to about 1:5 is provided at page 6 and Examples 76 to 91. Support for the ratio of lipid to surfactant of from about 12:1 to about 1:8 is provided at Examples 99-107 and 201-215. Support for the insulin range in claims 72 and 77 is found at Example 236. Support for the radius of transfersomes recited in claims 73 and 78 is found at Examples 21-31.

New claim 75 recites a ratio of lipid to surfactant greater than that ratio at a first maximum permeability resistance and less than that ratio attained at second maximum permeability resistance. Additionally, new claim 81 calls for a further method step of varying the ratio of lipid to surfactant in said transfersomes to obtain a first maximum permeability resistance, increasing the amount of surfactant relative to said lipid until a second maximum permeability resistance is obtained, and manufacturing transfersomes having a ratio of surfactant to lipid which is greater than the ratio of surfactant to lipid attained at said first maximum permeability resistance and which is less than that attained at said second maximum permeability resistance. Support for claims 75 and 81 is found in numerous examples, and particularly at Examples 1-13, pages 106-107 (see discussion regarding "permeation").

Applicant respectfully request entry of this amendment and an early and favorable action

on the merits is earnestly solicited.

Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached pages are captioned "Marked up Version to Show Changes Made".

The Examiner is requested to contact the undersigned if a telephone interview will advance the prosecution of this case.

Respectfully submitted,

DAYIDSON, DAVIDSON & KAPPEL, LLC

Clifford M. Davidson

Reg. No. 32,728

Livia S. Boyadjian

Reg. No. 34,781

Davidson, Davidson & Kappel, LLC 485 Seventh Avenue, 14th Floor New York, New York 10018 (212) 736-1940

I hereby certify that this correspondence and/or documents referred to as attached therein and/or fee are being deposited with the United States Postal Service as "first class mail" in an envelope with sufficient postage addressed to "Assistant Commissioner for Patents, Washington, D.C. 20231" on September 28, 2001.

DAVIDSON, DAVIDSON & KAPPEL, LLC

By: Samuel /Throng